

Agile Procurement

DIR

11/19/2019

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1

Speaker Background: Colleen Berkley

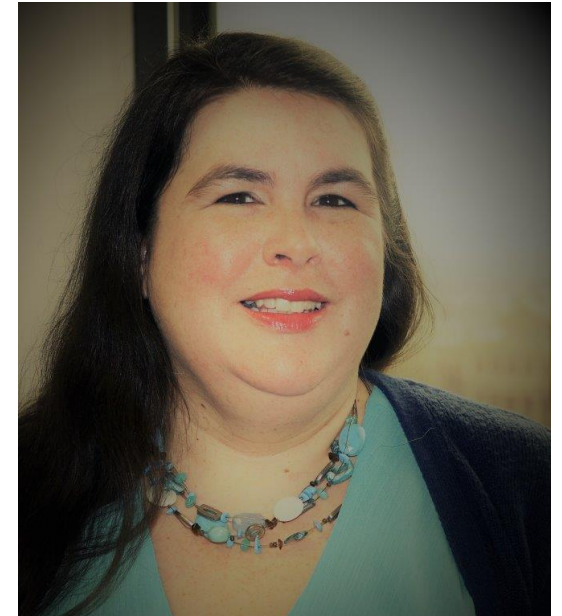
Colleen Berkley

Director of Procurement Services

Chief Procurement Office

colleen.berkley@dir.texas.gov

- Over 15 years with the state
- Joined DIR in 2016 from OAG
- Advisor for the DIR Innovative Procurement Lab (IPL)

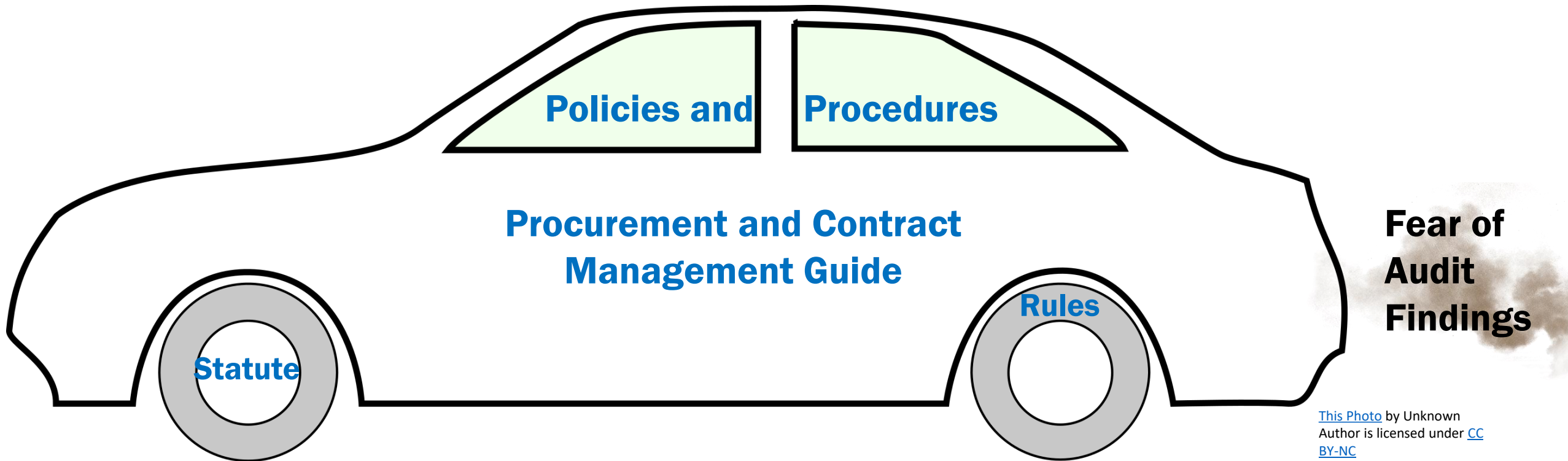


Why Agile?



- Save Time and Cost
- Increase Customer Satisfaction
- Procure the “Right” Solution

Getting Procurement Moving



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Rules of the Road

- 1. Agile Procurement requires a framework!**
- 2. Start with statute and rules**
- 3. Layer in the Procurement and Contract Management Guide**
- 4. Add in only those procedures that are ABSOLUTELY necessary**
- 5. Set goals and measure against them**

Governing the Process

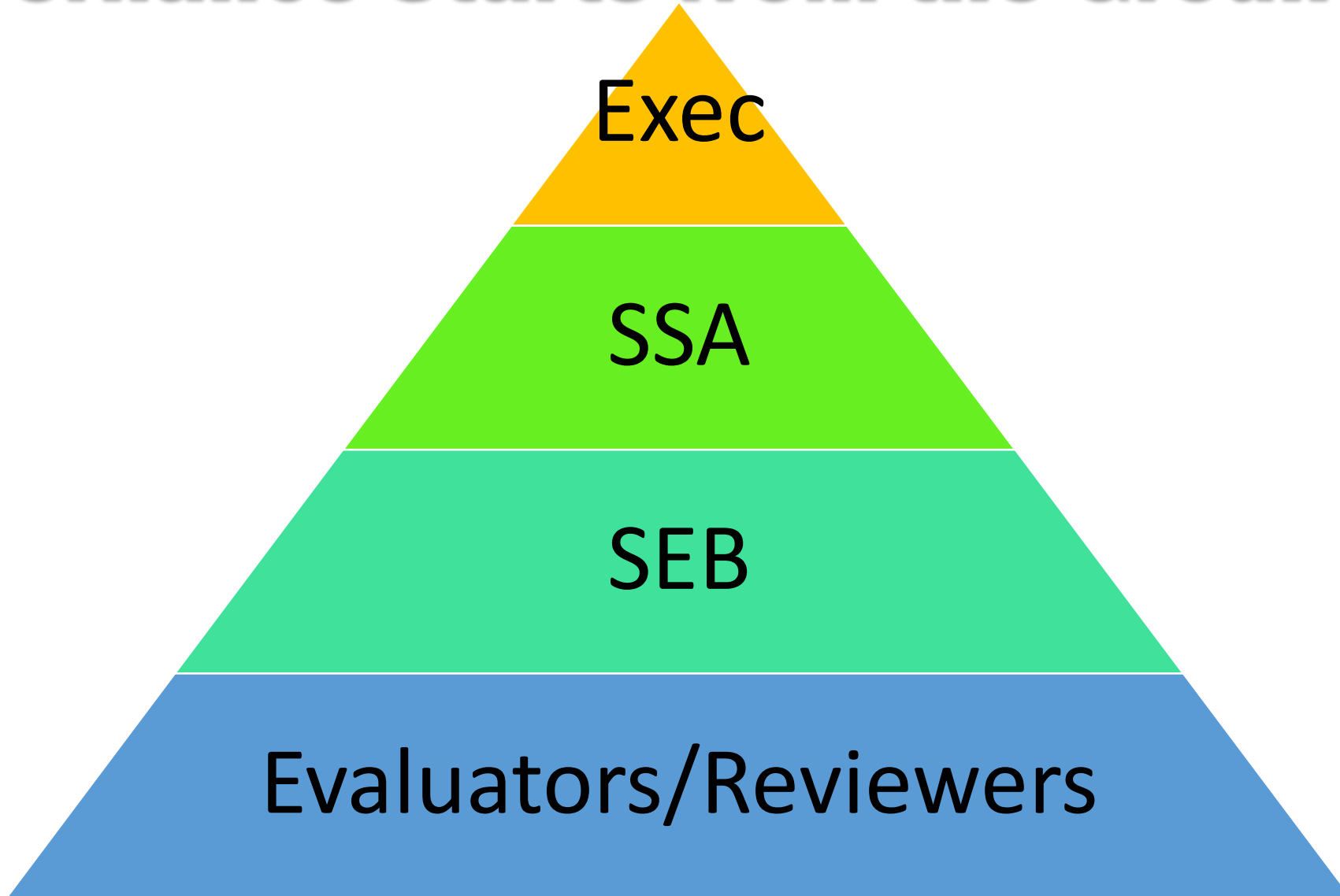
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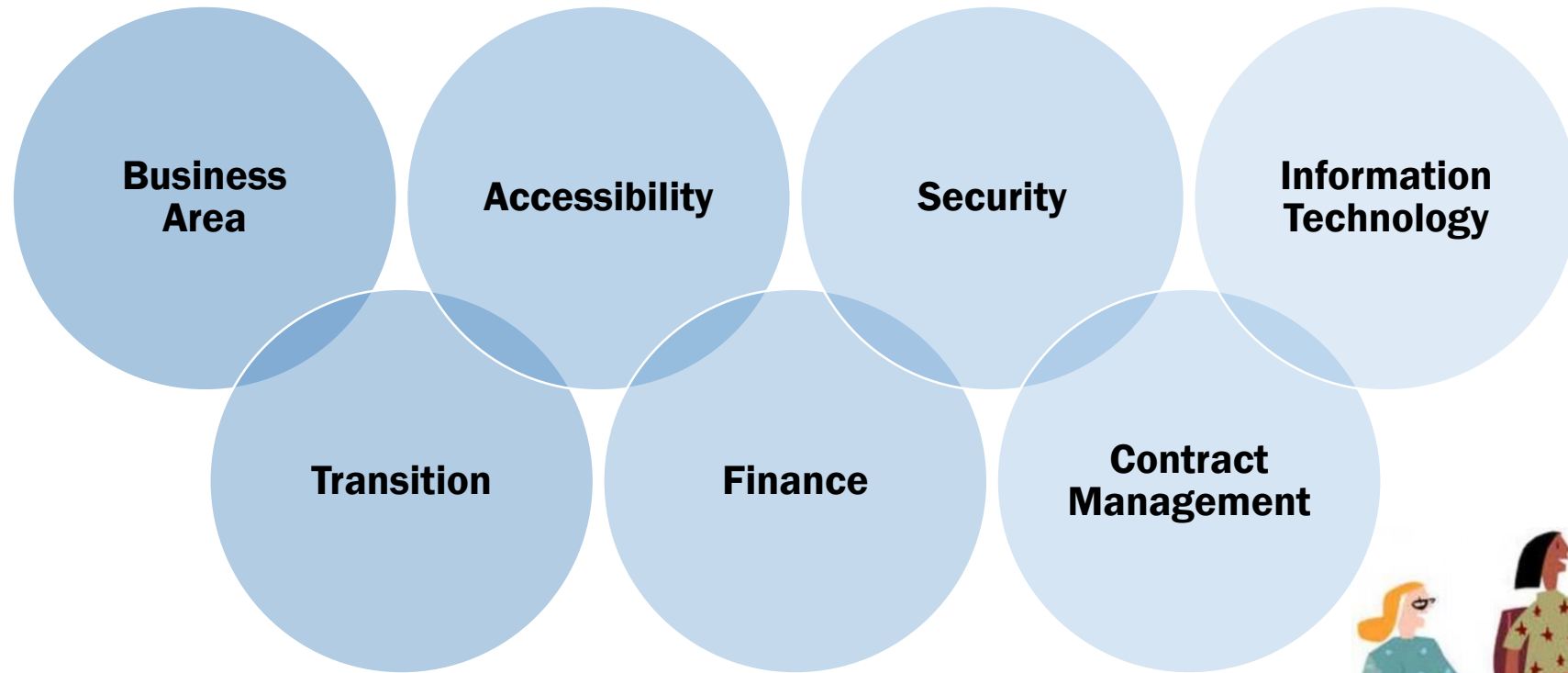
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Governance Starts from the Ground Up



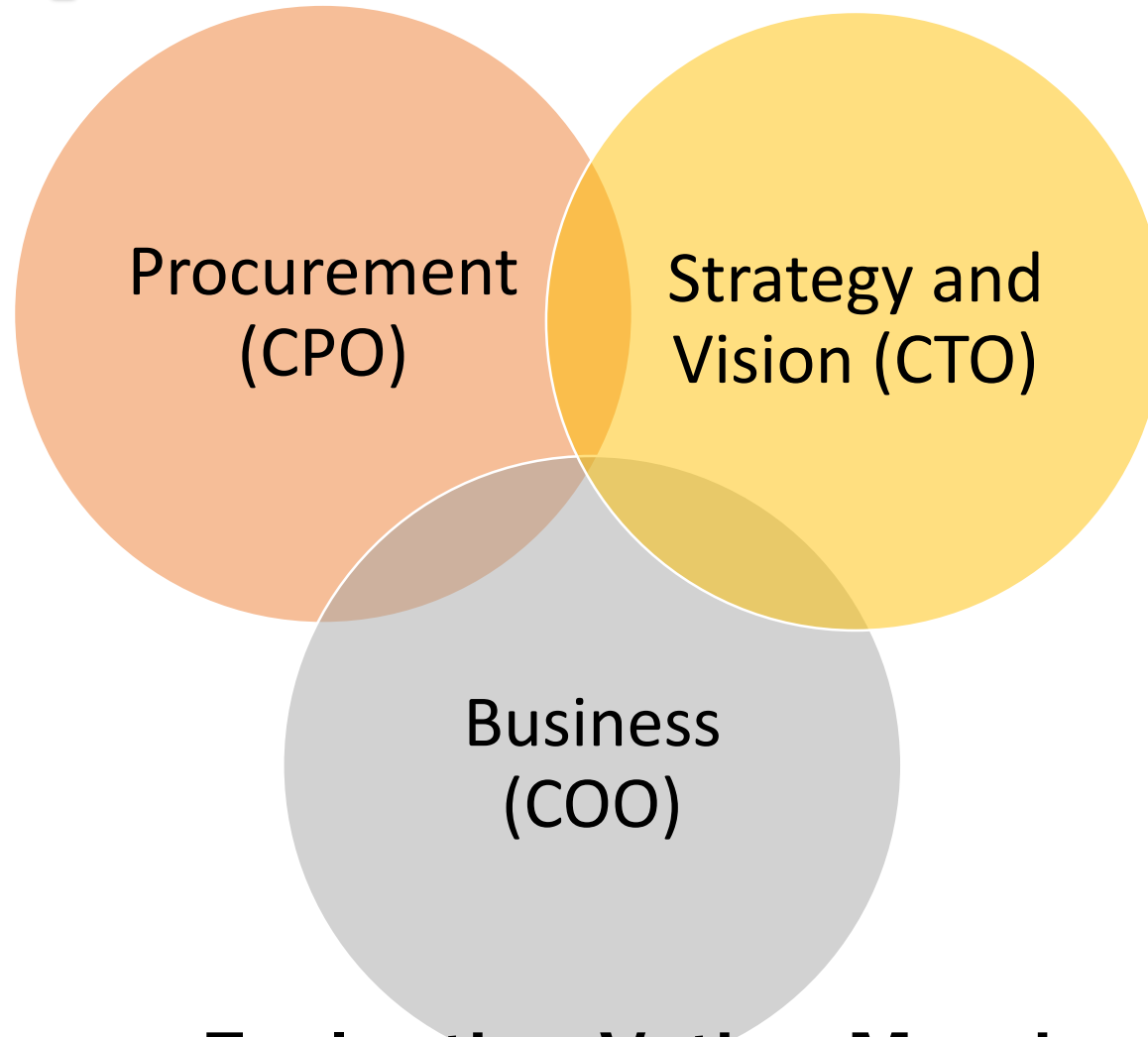
Involve the Right People



Evaluators



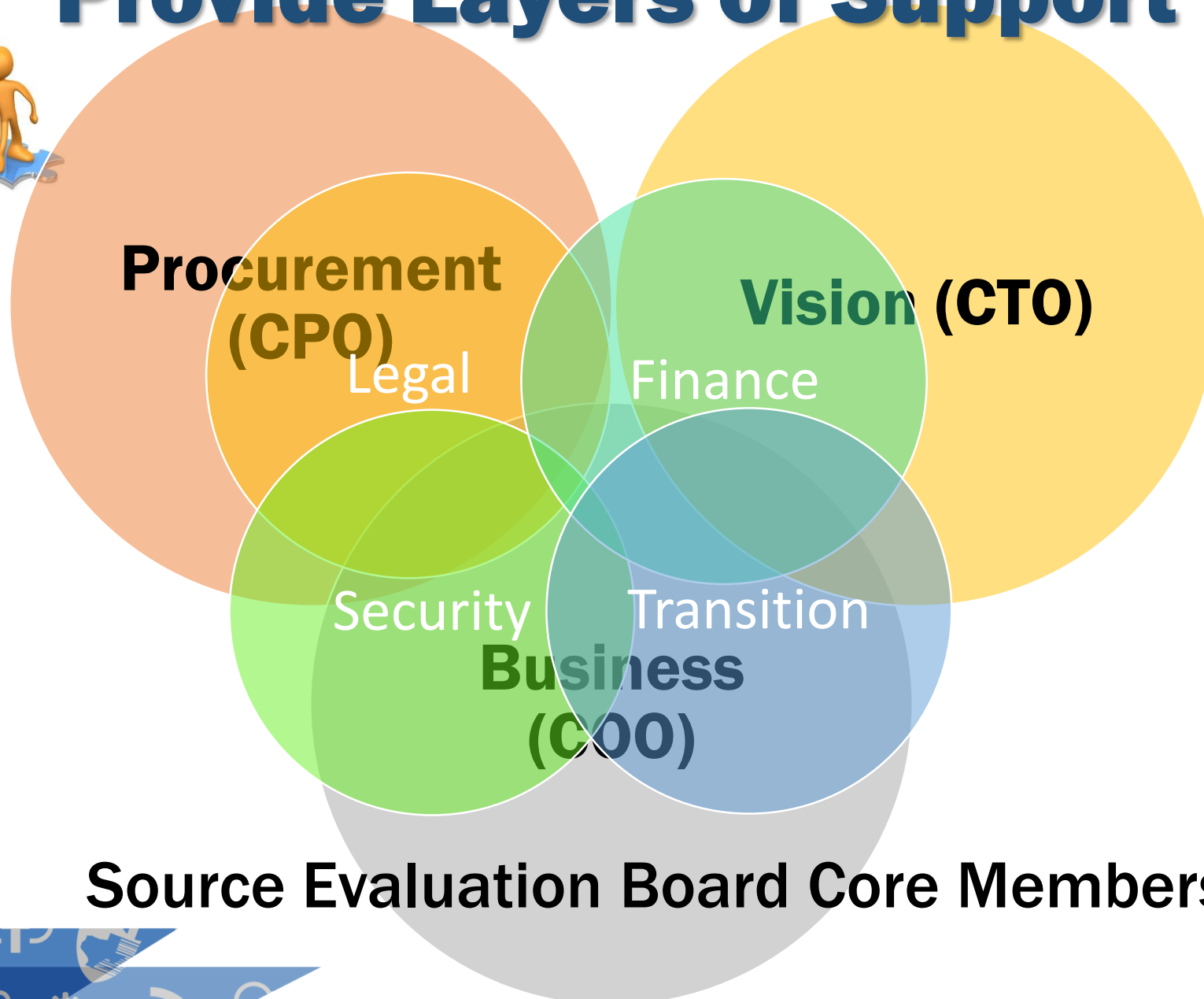
Empower Decision-makers



Source Evaluation Voting Members

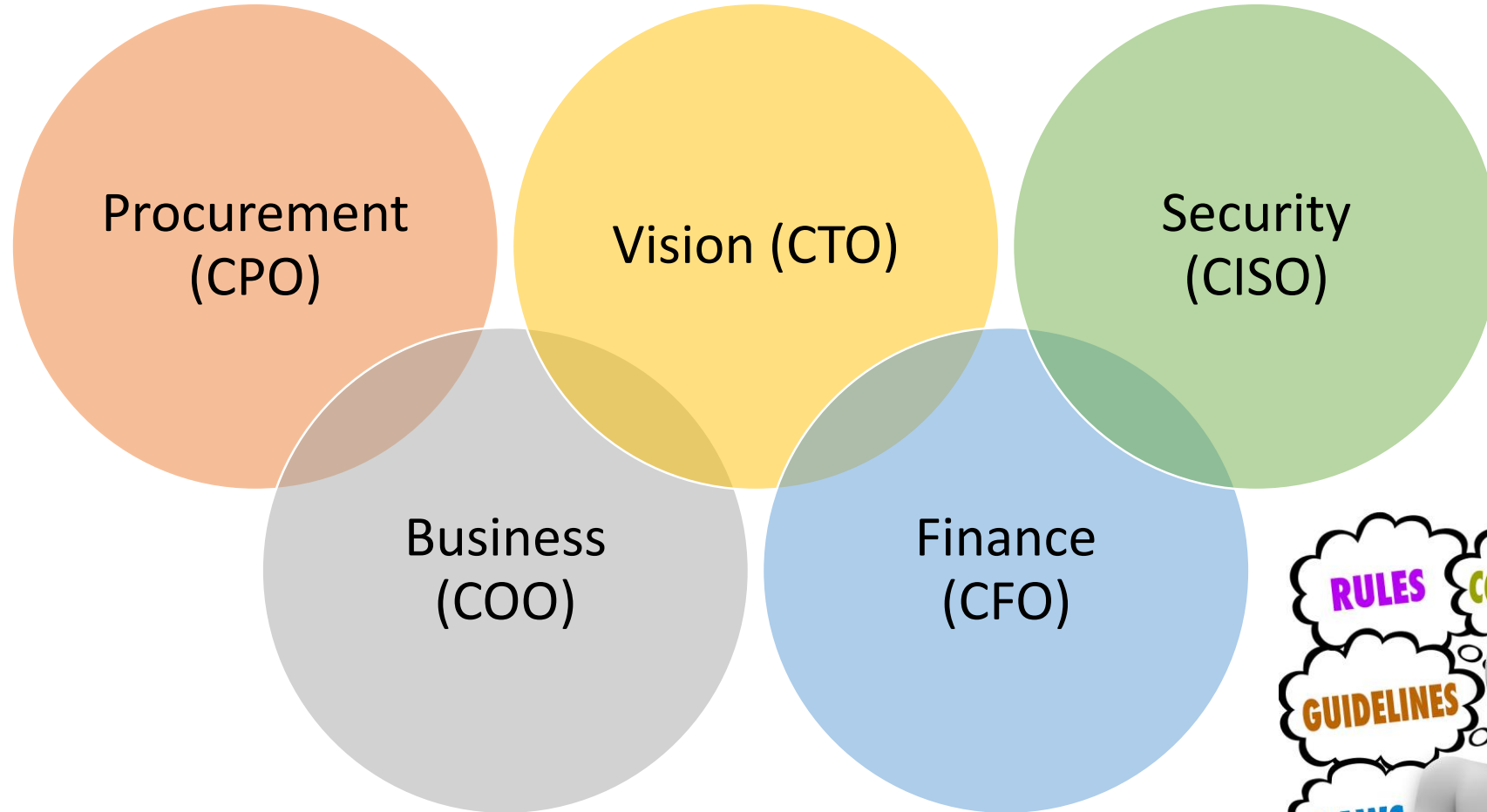


Provide Layers of Support



Source Evaluation Board Core Members

and Appropriate Levels of Oversight



Source Selection Authority



Don't Forget an Escalation Point!



Executive Management

Enabling Agility

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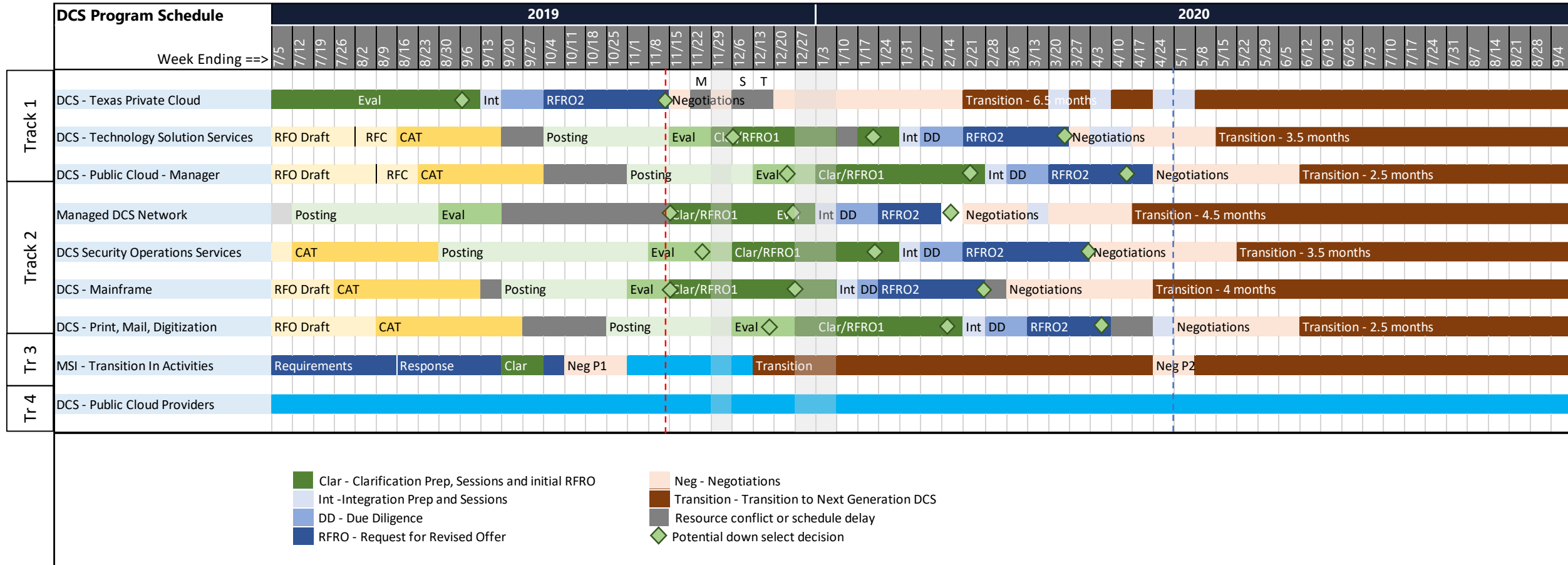
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Plan Ahead

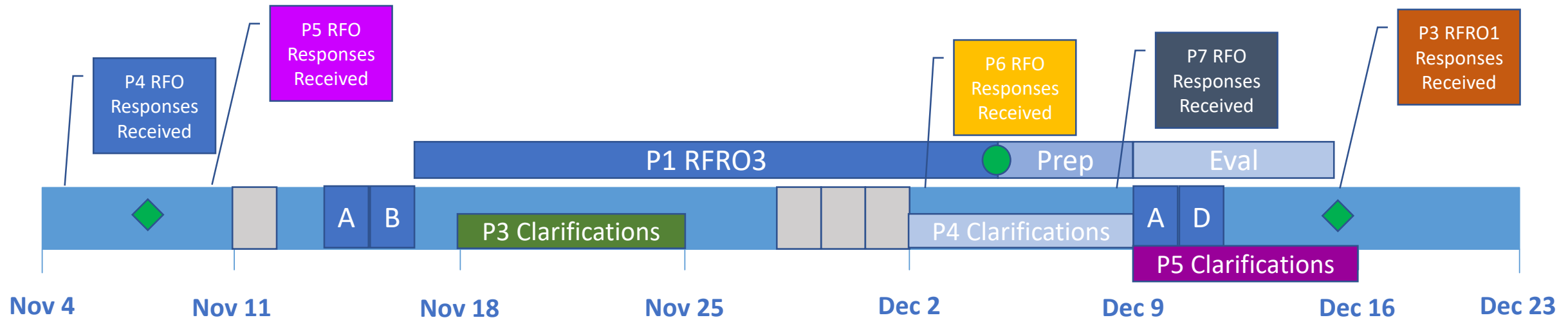
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z											
1	Master Contract Schedule	2019												2020												2021											
		Aug-19	Sep-19 FY 20 Start	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20 FY 21 Star	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21 FY 22 Start	Oct-21									
2		11/11/2019																																			
3																																					
4		Shared Technology Services Contracts																																			
5																																					
6	Re-procurement activities - FY 27 Proc Plan																																				
7	Texas Private Cloud	Evaluation and Award								Transition							TPC Initial Term																				
8		RFRO 1: 8/12		RFRO 2: 10/25																																	
9	Network	Evaluation and Award								Transition							Network Initial Term																				
10																																					
11	Security Operations Services	Posting		Evaluation and Award								Transition							SOS Initial Term																		
12																																					
13	Mainframe	Posting		Evaluation and Award								Transition							Mainframe Initial Term																		
14																																					
15	Technology Solution Services			Posting		Evaluation and Award								Transition							TSS Initial Term																
16																																					
17	Public Cloud Manager			Posting		Evaluation and Award								Transition							PCM Initial Term																
18																																					
19	Print, Mail, and Digitization			Posting		Evaluation and Award								Transition							PMD Initial Term																
20																																					
21	CTO - Financial Advisory and Research Services									Posting		Evaluation		Award		Financial Contract Initial Term - no renewals																					
44																																					
45	Next Generation Tex-AN									SOW Drafting		Posting		Evaluation and Award						Transition																	
46																																					
47	Cooperative Services Contracts																																				
48																																					
49	Artificial Intelligence Products and Related Services			Posting		Evaluation		Awards																													
50																																					
51	IT Staffing Services			Posting		Evaluation		Awards																													
52																																					
53	IT-Based Laboratory Hardware, Software, and Related Services									Posting		Evaluation		Awards																							
54																																					
55	Law Enforcement Technology Products and Services	Posting		Evaluation		Awards																															
56																																					
57	Misc IT Hardware Peripherals, Consumables and																																				


DIR FY20 Procurements

Program View



Two-Month View



 Holidays

Create a Dashboard



RFO	RFO Posting	Evaluation & Down-select	Clarification	RFRO	RFRO Evaluation	Integration	Due Diligence	RFRO2
P1		04/29 – 05/31	06/12 – 06/14	06/17 – 07/19	08/12 – 08/23 30	09/09 – 09/12	09/12 – 10/11	09/30 – 11/08
P2	07/08 – 08/20	08/21 – 12/13 On Hold						
P3	08/28 – 11/04	11/05 – 11/20	12/02 – 12/06					
P4	09/13 – 10/25	10/28 – 11/08	11/18 – 11/22					
P5	10/02 – 11/08	11/11 – 11/22						
P6	10/25 – 12/03							
P7	10/25 - 12/06							

KEY

Task Not Started

Task on Schedule

Task Behind Schedule

Schedule at Risk

Task Completed

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Solicitation Process Options



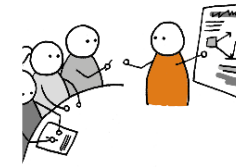
Engage Vendor Community

- Market Engagement
- Art of the Possible
- Request for Comment
- Pre-proposal Conferences



Creating the Solicitation Packet

- “Right-sized” experience
- Rolling Q&A
- Clear response instructions
- In-line Response
- Demonstration
- Evaluation criteria



Evaluating Responses

- Flexible Evaluation Plan
- Evaluator training
- Phased Evaluations
- Consider Exceptions and Assumptions



- Engage Vendor Community

Art of the Possible

1. Release Request for Information
2. Select Vendors to present
 - a. Can be demos, discussions
 - b. Can structure as down-select
 - c. Set selection criteria before posting
3. Document market options



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- Engage Vendor Community

Request for Comment

1. Make strategic decisions for SOW based on Art of the Possible/Market Research
2. Post **DRAFT** SOW
 - a. Include specific questions/problems you'd like solved
 - b. Structure feedback mechanism – strive for anonymity;
3. Document feedback; make any necessary changes
4. Submit to CAT/DIR (if applicable)





- Engage Vendor Community

Pre-Proposal Conference

1. Find opportunities for inclusion
 - a. Webinars
 - b. Convenient Location
 - c. HUB/Prime mixer after?
2. Present vision/goals
3. Provide a walk-through
4. Allow and answer questions





• Creating the Solicitation Packet

Right-Sized Experience

1. Think complexity, potential cost, schedule
2. Consider how long the technology has been around
3. Scale to fit your requirements





Creating the Solicitation Packet

Rolling Q&A

1. Be flexible on due date
2. Publish multiple Addenda
3. Include unanswered questions
4. Allow two (2) weeks past last answer for response due date





Creating the Solicitation Packet

Clear Response Instructions

1. Be clear on what you need to see
2. Only ask for what you need
3. Consider in-line responses
4. Tie to evaluation criteria
5. Responses don't always have to be written!



■ 2. → Transition Services¶

■ 2.1. → Operations Take-Over¶

At Commencement, it is DIR's expectation that the Successful Respondent will take over operations from the incumbent as they exist at that time. In other words, the Successful Respondent must have the skills and capabilities to operate the facilities and infrastructure in the state as they are described in Section 1 above. The Transition Plan must articulate the Successful Respondent's approach and schedule to assume current operations as of Commencement as well as any service or infrastructure changes proposed after Commencement. It is DIR's expectation that current infrastructure would be leveraged and replaced through the required refresh cycles, in order for DIR Customers to gain full benefit of their financial investment in the current infrastructure.¶

¶

Required Blue-line Response. Respondent to acknowledge if they intend to comply or not comply with the requirements as stated.¶

acknowledges this requirement and will comply accordingly.¶

■ 2.2. → General Transition Requirements¶

- (a) → The Successful Respondent will be responsible for the migration of hardware and software, configuration information, system components, documentation, and related operational and security support roles in transitioning from the current contract.¶

Sample In-Line Response



- Evaluating Responses

Flexible Evaluation Plan

1. Tie closely to Solicitation Document
2. Allow for decision-making based on data as it comes in
3. Document every decision
4. Take appropriate next steps





- Evaluating Responses

Evaluator Training

1. Consider “interview” analogy
2. Include explanation about technical requirements/project expectations
3. Consider the use of evaluator advisors
4. Timing is important

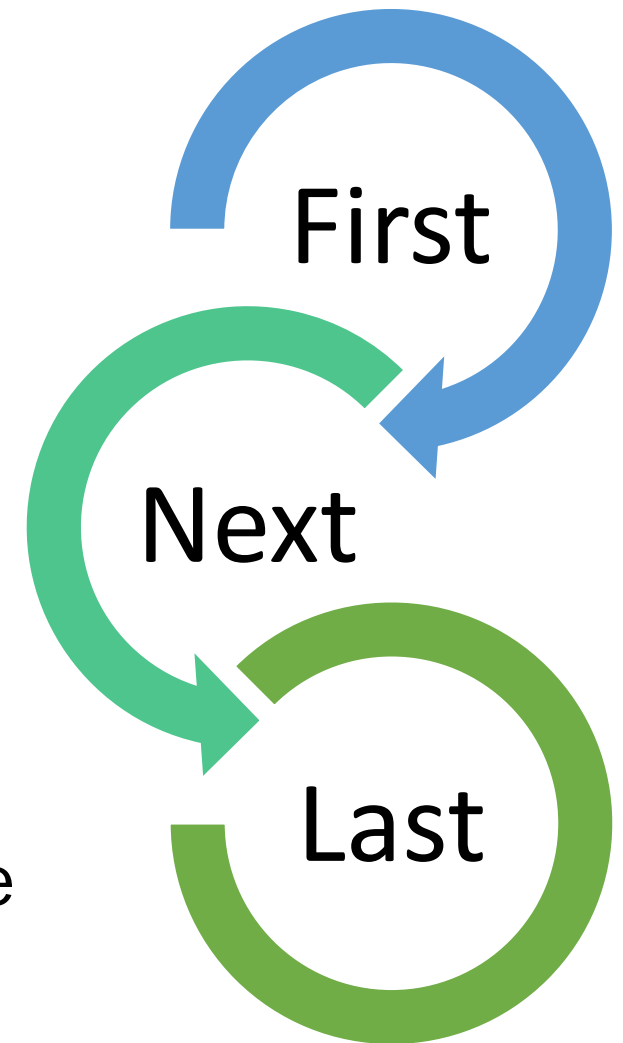




- Evaluating Responses

Phased Evaluation

1. Identify down-select opportunities
2. Ask for progressively more/more targeted information as you move through process
3. Share more sensitive information as you move through the process
4. Don't down-select too soon!
Competition provides strong leverage





- Evaluating Responses

Exceptions and Assumptions

1. Add as an evaluation consideration
2. Use a template
3. Provide legal guidance (during evaluator training/separate session)
4. Can include in the solicitation document as an evaluation factor/consideration
5. Start building your negotiation log!



Sample Exceptions Template



AutoSave Off 05_RFO_Att_4_Exceptions (TSS) - Read-Only - Ex... Search Colleen Berkley

File Home Insert Page Layout Formulas Data Review View Help Table Design Share Comments

E27

	A	B	C	D	E	F	G	H	I
	#	Respondent	ID	Doc	Location/Specific Section Reference	Section Number	Section Mapping	Objection/Issue	Proposed Alternative Language (redline)
1									
2	1		1						
3	2		2						
4	3		3						
5	4		4						
6	5		5						
7	6		6						
8	7		7						
9	8		8						
10	9		9						
11	10		10						
12	11		11						
13	12		12						
14	13		13						
15	14		14						
16	15		15						
17	16		16						
18	17		17						
19	18		18						
20	19		19						
21	20		20						

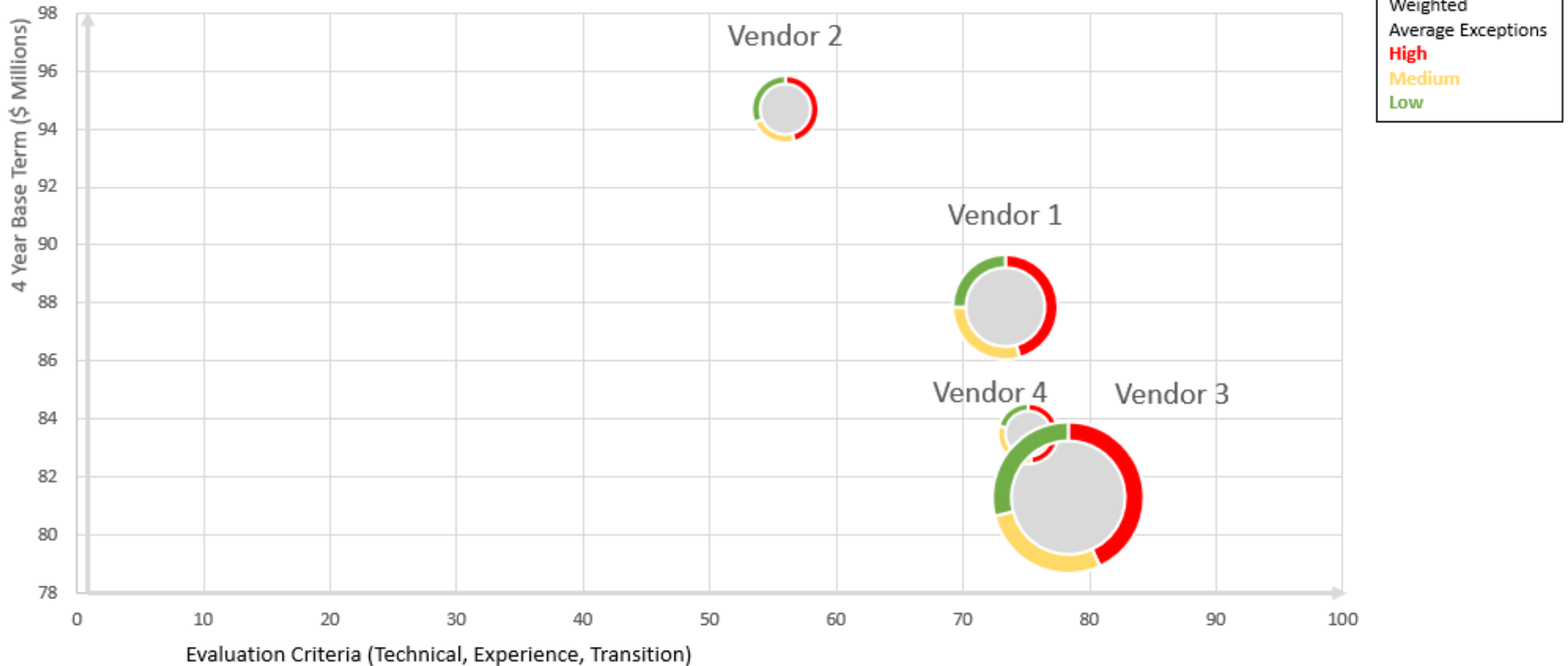
MSA = MSA and all MSA Attachments
SOW = SOW
SLA = Att 1.1, 1.2, 1.3
FIN = Exhibit 2, Att 2.1, 2.2

Include Section Number of the Document at X.Y level (no further than 2 levels)

Sample Exceptions Roll-up

File Home Insert Page Layout Formulas Data Review View Help										Share
H16										
	A	B	C	D	E	F	G	H	I	J
1										Doc
2										
3	Exceptions by Doc									Exceptions by Doc Section
4	Row Labels	MSA	SLA	SOW	Grand Total					Row Labels
5		19	1	9	29					Access to Specialized Successful Respondent Skills and Resources.
6		45		23	68					Additions, Modification, and Deletions of Service Levels
7		124	11	69	204					Audit Rights
8		35			35					Business Background and Objectives
9	Grand Total	223	12	101	336					Change Control
10										Compliance with Laws
11										CONTRACT DOCUMENTS
12	Initial Response									Developed Materials
13	Exceptions by Priority									DIR Benchmarking Reviews
14	Row Labels	High	Medium	Low	Grand Total	Weighted				DIR Personal Data
15		14	9	6	29	198				Extension
16		31	20	17	68	450				Form of Parent Guarantee
17		88	57	59	204	1311				Indemnity by Successful Respondent
18		16	8	11	35	225				Insurance and Risk of Loss
19	Grand Total	149	94	93	336					Lack of Sufficient Funds or Statutory Authority
20										Limitation of Liability
21										Liquidated Damages
22	Revised Response									Ongoing DIR Rights
23	Exceptions by Priority									Overview
24	Row Labels	Grand Total					# Change	% Change		Performance Guarantee
25	Grand Total									Responsibility for Successful Respondent Personnel
26										Savings Clause
27	11/19/2019							#DIRisIT		Service Delivery Failure: Corrective Action Plan

Data Presentation Alternatives



Agile Procurement using DIR

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Innovative Procurement Lab (IPL)

DIR has established an Innovative Procurement Lab with ultimate goals to:

- **streamline IT procurements**
- **provide best value solutions through demonstrated vendor performance**



We are seeking customers that are interested in experimenting with innovative procurement methods. This is an opportunity to improve IT procurement and contracting practices for your entity and to play an active role in influencing IT procurement practices at a statewide level.

Partner with us today to improve IT Procurement and Contracting!

The Agile SOW: Considerations

- Consider a performance-based statement of work
- Through DBITS, Deliverables may equal completion of groups of sprints
- Define Sprint 0 as creation of a prototype or gathering of requirements (User Stories)
- Response to SOW may be Sprint 0
- Include features of the finished product (User Stories)
- Multiple awards may be considered; competition could be used throughout the development phase



Use Case: Website Re-design

- Completed through the IPL
- SOW drafted in ~ two (2) weeks
- Response instructions were minimal, and included a “splash page” as a means of evaluation
- Response instructions were further streamlined through the Q&A process
- Responses back in two (2) weeks
- Team “ranking” in one (1) week
- Demonstrations and Negotiations took one (1) week
- Award in total of six (6) weeks



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Wrap Up

Steps to Success



RFC
CAT/DIR
Rolling Q&A
Evaluation
Clarification/Discussions
Due Diligence
Integration
RFRO
Negotiation



Review data points
Consult Evaluation Plan
Discuss options
Recommend course of action
Gain executive buy-in
Document decision for file
Inform Respondents



Proceed to next milestone
Adjust as each is achieved
Use Evaluation Plan as a guide
Keep file documentation current

Closing thoughts

You wouldn't buy a car without test driving it; why are we buying technology without spending time with the team and at least kicking the tires of the proposed solution?



Questions / Discussion



Contact Information



Thank you

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